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Viewing cable 09CARACAS918, ALLEGATIONS OF MINISTER DIOSDADO CABELLO'S

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09CARACAS918**.

Reference ID	Created	Released	Classification	Origin
09CARACAS918	2009-07-20 13:14	2011-08-30 01:44	CONFIDENTIAL	Embassy Caracas

Appears in these articles:

<http://www.semana.com/mundo/wikileaks-venezuela-diosdado-cabello-padrino/160201-3.aspx>

VZCZCXRO1566
PP RUEHAO RUEHCD RUEHGA RUEHGD RUEHHA RUEHHO RUEHMC RUEHMT RUEHNG
RUEHNL RUEHQU RUEHRD RUEHRG RUEHRS RUEHTM RUEHVC
DE RUEHCV #0918/01 2011314
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RHEBAAA/DEPT OF ENERGY
RHEHNSC/NSC WASHDC
RUMIAAA/HQ USSOUTHCOM MIAMI FL
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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000918

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NSC FOR RKING
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E.O. 12958: DECL: 07/11/2019
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SUBJECT: ALLEGATIONS OF MINISTER DIOSDADO CABELLO'S

CORRUPTION EXPANDING TO FINANCIAL SECTOR

REF: A. CARACAS 887

1B. 2008 CARACAS 1754

1C. CARACAS 287

1D. CARACAS 322

1E. CARACAS 663

Classified By: Economic Counselor Darnall Steuart for reasons 1.4 (b) and (d).

11. (C) In a lunch with EconCouns and Econoff on July 10, XXXXXXXXXXXXXXX alleged Minister of Public Works and Housing Diosdado Cabello was expanding his network of corruption into the financial sector. According to XXXXXXXXXXXXXXX, Cabello and several other former military officers who participated with Chavez in his 1992 coup attempt (specifically Vice Minister of Finance Alejandro Andrade, Governor of Aragua and former Minister of Finance Rafael Issea, and Science and Technology Minister Jesse Chacon) recently backed the purchase of several small banks and insurance companies. The front man for the group's foray into the financial sector, Ochoa continued, is Pedro Torres Ciliberto, owner of the small, Tachira-based investment bank Baninvest (to which he had named Chacon's brother as president). XXXXXXXXXXXXXXX speculated the group was moving into the local financial sector in part to gain easier access to arbitrage opportunities related to Venezuela's currency controls, particularly if the Central Bank began auctioning hard currency to financial institutions (as has been rumored to be under consideration). XXXXXXXXXXXXXXX characterized Cabello's group as one of the three major poles of corruption close to or within the GBRV. The second pole, operating in the oil sector, is associated with Oil Minister and PDVSA President Rafael Ramirez, and the third, operating in the food distribution sector, is associated with "Mercal King" Ricardo Fernandez.

12. (C) On the political front, XXXXXXXXXXXXXXX argued the "fascist and military" trend associated with Cabello was gaining ascendancy within Chavismo. (Note: By invoking the term fascist, XXXXXXXXXXXXXXX was referring to the movement's desire for authoritarian government control over society and the economy in a way that brooks no dissent. End note.) He characterized Cabello's strident speech in the National Assembly July 9 outlining increased state control over the media (ref A) as an indication of this ascendancy. Another indication, XXXXXXXXXXXXXXX continued, were reports from his financial sector contacts that former Vice President Jose Vicente Rangel was a partner in Cabello's group's investments (or at least allowing his money to be managed by Torres Ciliberto). In tandem with the rise of the fascist/military trend, XXXXXXXXXXXXXXX argued, the two key representatives of the "traditional Marxist left" in Chavez's cabinet, Planning Minister Jorge Giordani and Finance Minister Ali Rodriguez, were losing influence, with Rodriguez's health in decline and Giordani "looking to get out." XXXXXXXXXXXXXXX felt the traditional left was becoming increasingly disenchanted, at least in private, with Chavez's Bolivarian revolution, largely due to blatant corruption and the realization that desire for power, rather than achievement of socialist goals, was its driving force.

13. (C) XXXXXXXXXXXXXXX described Cabello as a potential "Montesinos-like" figure for the Chavez regime, i.e. someone who, like intelligence chief Vladimir Montesinos under President Fujimori in Peru, was amassing great power and control over the regime's apparatus as well as a private fortune, often through intimidation behind the scenes. XXXXXXXXXXXXXXX speculated Chavez himself might be concerned about Cabello's growing influence but unable to diminish it. XXXXXXXXXXXXXXX said he was coordinating with several others, including Tal Cual editor Teodoro Petkoff, to expose Cabello's questionable business dealings publicly, though he acknowledged the need to proceed carefully given how "dangerous" Cabello was. XXXXXXXXXXXXXXX hoped this exposure would cause further disillusion within the traditional left, part of a process through which this trend might ultimately withdraw its support from Chavez.

¶4. (C) Comment: XXXXXXXXXXXXXXX is a well-respected political economist with strong contacts in the financial sector and a growing network of contacts within the traditional left. We know from other contacts that people close to the government

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have been buying, or trying to buy several small banks, and we would not be surprised if Diosdado Cabello and his associates were involved. Cabello's increasing influence in government is clear: Chavez appointed him Minister of Infrastructure in December 2008 (after Cabello lost his reelection bid for governor of Miranda; ref B); Chavez added the housing portfolio to Cabello's ministry on March 3, renaming it the Ministry of Public Works and Housing (ref C); the National Assembly passed a law on March 12, 2009 which effectively gave control over ports, airports, and roads (previously managed by the states) to the Ministry of Public Works and Housing (ref D); and CONATEL, the GBRV's media regulatory body, was transferred to the Ministry of Public Works and Housing on May 15 (ref E). What bears closer watching is Cabello's behind-the-scenes power, or at least the specific ways he exercises it. End comment.

CAULFIELD